

FIRE PROTECTION DISTRICT NO. 12
Of RAPIDES PARISH

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 13 2014

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May 12, 2014

INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
Fire Protection District No. 12
Cheneyville, LA 71325

We have reviewed the accompanying basic financial statements of the governmental activities and the major fund of the Fire Protection District No. 12 of Rapides Parish as of and for the year ended December 31, 2013, as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Fire Protection District No. 12 of Rapides Parish. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Fire Protection District No. 12 of Rapides Parish is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information was not audited, reviewed, or compiled by us and we do not express an opinion or provide any assurance on it.

-Members-

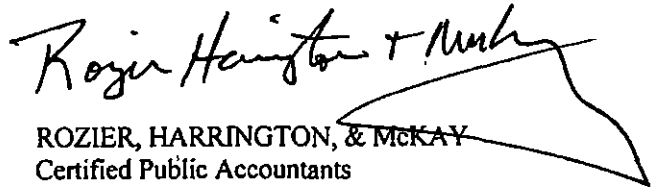
American Institute of Certified Public Accountants • Society of Louisiana, CPAs

Fire Protection District No. 12

May 12, 2014

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In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated May 12, 2014, on the results of our agreed-upon procedures.


ROZIER, HARRINGTON, & MCKAY
Certified Public Accountants

Fire Protection District No. 12

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

This section of the annual financial report presents our discussion and analysis of the Fire District's financial performance during the fiscal year ended December 31, 2013.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Fire District's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The government-wide financial statements report information about the Fire District as a whole using accounting methods similar to those used by private-sector companies. These financial statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Fire District's assets and all of the Fire District's liabilities. All of the Fire District's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by property taxes, related revenue sharing, grants and proceeds from debt.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Fire District's most significant activities and are not intended to provide information for the Fire District as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Fire District only has one governmental fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Fire District's finances. Assets reported by governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

FINANCIAL ANALYSIS OF THE DISTRICT

A comparative analysis of the government-wide data for the current and previous year is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

| | December 31, | |
|--------------------------|----------------|----------------|
| | 2013 | 2012 |
| <u>Assets:</u> | | |
| Current and Other Assets | \$ 426,843 | \$ 294,016 |
| Capital Assets, net | 477,288 | 556,015 |
| Total Assets | 904,131 | 850,031 |

Fire Protection District No. 12

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

| | | |
|---------------------------------|------------|------------|
| Liabilities: | | |
| Current and Other Liabilities | 24,009 | 36,210 |
| Long-term Debt Payable | 83,143 | 171,759 |
| Total Liabilities | 107,152 | 207,969 |
| Net Position: | | |
| Invested in Capital Assets, net | 372,660 | 349,516 |
| Unrestricted | 424,319 | 292,546 |
| Total Net Assets | \$ 796,979 | \$ 642,062 |

As the presentation appearing above demonstrates, a portion of the Fire District's net position (46%) is invested in capital assets. Net position invested in capital assets consist of land, buildings, and equipment, less any debt used to acquire the assets that remain outstanding. The Fire District uses these capital assets to provide fire protection and other services to local residents; consequently, these amounts are not available for future spending.

The remaining net assets (54%) are unrestricted and may be used to meet the Fire District's ongoing obligations.

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

| | For the Year Ended December 31, | |
|------------------------------------|---------------------------------|------------|
| | 2013 | 2012 |
| Revenues: | | |
| Program Revenues: | | |
| Insurance Rebate | \$ 6,418 | \$ 5,613 |
| Operating Grants and Contributions | --- | --- |
| Capital Grants and Contributions | 3,414 | --- |
| General Revenue: | | |
| Ad valorem Taxes | 297,254 | 302,088 |
| Other | 1,464 | 21 |
| Total Revenues | 308,550 | 307,722 |
| Program Expenses: | | |
| Fire Protection | 153,633 | 167,155 |
| Total Program Expenses | 153,633 | 167,155 |
| Change in Net Position | 154,917 | 140,567 |
| Net Position Beginning | 642,062 | 501,495 |
| Net Position Ending | \$ 796,979 | \$ 642,062 |

Fire Protection District No. 12

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

As the accompanying presentation demonstrates, the Fire District's net position increased \$154,917. This increase is attributable to the increase in property tax revenues generated from tax assessments on natural gas lines constructed and placed in service within the District.

FINANCIAL ANALYSIS OF THE FIRE DISTRICT'S FUND

For the year ended December 31, 2013, differences between the government-wide presentation and the fund financial statements were limited to the reporting of the depreciation of capital assets and debt service obligations.

BUDGET HIGHLIGHTS

State law requires the Fire District to have a budget. A summary of the general fund budget compared to actual amounts is presented as follows:

| | <u>Original Budget Amounts</u> | <u>Amended Budget Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Budget Positive (Negative)</u> |
|--|------------------------------------|-----------------------------------|---------------------------|---|
| Total Revenues | \$ 270,275 | \$ 298,303 | \$ 308,550 | \$ 10,247 |
| Total Expenditures | 270,275 | 298,303 | 176,777 | 121,526 |
| Excess (deficiency) of revenues over expenditures | \$ ---- | \$ ---- | \$ 131,773 | \$ 131,773 |

For the year ended December 31, 2013, the original budget was amended to include additional revenues and expenditures.

CAPITAL ASSET ADMINISTRATION

For the year ended December 31, 2013, capital outlay activity consisted of the purchase of communications equipment costing \$5,020.

DEBT ADMINISTRATION

For the year ended December 31, 2013, debt activity was limited to the repayment of debt principal and interest.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations.

Fire Protection District No. 12 of Rapides Parish
Statement of Net Position
December 31, 2013

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 123,004 |
| Receivables (net) | 303,839 |
| Capital Assets - Land | |
| Non depreciable capital assets | 10,745 |
| Depreciable capital assets, net | <u>466,543</u> |
| Total Assets | <u>904,131</u> |
| <u>LIABILITIES</u> | |
| Accounts Payable | 2,524 |
| Long-term Debt Payable | |
| Due Within One Year | 21,485 |
| Due in More than One Year | <u>83,143</u> |
| Total Liabilities | <u>107,152</u> |
| <u>NET POSITION</u> | |
| Invested in Capital Assets, Net of Related Debt | 372,660 |
| Unrestricted | <u>424,319</u> |
| Total Net Position (deficit) | <u><u>\$ 796,979</u></u> |

See accompanying notes and independent accountant's review report

Fire Protection District No. 12 of Rapides Parish

Statement of Activities

For the Year Ended December 31, 2013

| | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expense) Revenue</u> |
|--------------------------------|-----------------|--------------------------------|---|---|----------------------------------|
| | | <u>Charges for Service</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | |
| <u>Governmental Activities</u> | | | | | |
| Fire Protection | \$ 153,633 | \$ 6,418 | \$ - | \$ 3,414 | \$ (143,801) |
| Total Governmental Activities | <u>153,633</u> | <u>6,418</u> | <u>-</u> | <u>3,414</u> | <u>(143,801)</u> |
| <u>General Revenues:</u> | | | | | |
| Property Taxes | | | | | 297,254 |
| Other | | | | | <u>1,464</u> |
| Total General Revenues | | | | | <u>298,718</u> |
| Change in Net Position | | | | | 154,917 |
| Net Position - Beginning | | | | | <u>642,062</u> |
| Net Position - Ending | | | | | <u>\$ 796,979</u> |

See accompanying notes and independent accountant's review report

Fire Protection District No. 12 of Rapides Parish

Balance Sheet - Governmental Funds

December 31, 2013

| | General Fund |
|--|-------------------------|
| <u>Assets:</u> | |
| Cash | \$ 123,004 |
| Receivables | 303,839 |
| Total Assets | <u>\$ 426,843</u> |
| <u>Liabilities and Fund Balances:</u> | |
| Liabilities: | |
| Accounts Payable | \$ 2,524 |
| Total Liabilities | <u>2,524</u> |
| <u>Fund Balance:</u> | |
| Unassigned | <u>424,319</u> |
| Total Fund Balance | <u>424,319</u> |
| Total Liabilities and Fund Balance | <u>\$ 426,843</u> |

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

Total Fund Balance - Governmental Fund \$ 424,319

Amounts reported for governmental activities in the statement of net position are
different because:

Long term liabilities are not due and payable in the current period and
therefore they are not reported in the Governmental Fund
Balance Sheet (104,628)

Capital Assets used in governmental activities are not financial
resources and therefore are not reported in the funds. 477,288

Net Position of Governmental Activities \$ 796,979

See accompanying notes and independent accountant's review report

Fire Protection District No. 12 of Rapides Parish

Statement of Revenues, Expenditures, and Changes in

Fund Balance - Governmental Funds

For the Year Ended December 31, 2013

| | <u>General Fund</u> |
|--|--------------------------------|
| <u>Revenues:</u> | |
| Ad valorem taxes | \$ 297,254 |
| 2% Insurance Rebate | 6,418 |
| Grant Proceeds | 3,414 |
| Other | <u>1,464</u> |
| Total revenues | <u>308,550</u> |
| <u>Expenditures:</u> | |
| Public Safety: | |
| Supplies | 2,950 |
| Fuel | 7,132 |
| Insurance | 19,689 |
| Legal and accounting | 4,832 |
| Office expense | 1,595 |
| Repairs and maintenance | 14,323 |
| Utilities and telephone | 4,224 |
| Other | 5,153 |
| Capital outlay | 5,020 |
| Debt Service | <u>111,859</u> |
| Total expenditures | <u>176,777</u> |
| Excess (deficiency) of revenues over expenditures | 131,773 |
| Fund balance - beginning of year | <u>292,546</u> |
| Fund balance - end of year | <u>\$ 424,319</u> |

Fire Protection District No. 12 of Rapides Parish

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2013

Net change in fund balances of Governmental Funds \$ 131,773

Amounts reported for governmental activities in the statement of activities are
different because:

Repayment of debt principal is an expenditure in the governmental funds,
but the repayment reduces long-term liabilities in the statement of
net position. 101,871

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over
estimated useful lives and reported as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in
the current period. (78,727)

Change in net assets of governmental activities \$ 154,917

Fire Protection District No. 12

Notes to Financial Statements

December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District No. 12 of Rapides Parish (the Fire District) was created to provide fire protection for portions of Rapides Parish. The Fire District was organized by joint action of the Police Jury of Parish of Rapides, and the Town of Cheneyville.

The Fire District is governed by a board of directors consisting of five members, each of which is a resident property taxpayer of the Fire District. Two members are appointed by the Rapides Parish Police Jury, two members by the Town of Cheneyville, and one member is selected by the preceding four members. The Fire District is a component unit of the Rapides Parish Police Jury, the primary governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Fire District and do not present financial information on the primary government, the general government services provided by that entity, or the other governmental units that are accountable to the primary government.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

The basic criterion for including a potential component unit within the reporting entity is financial accountability. Criteria to be considered in determining financial accountability are described as follows:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the reporting entity to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria presented above, the Fire District is a component unit of the Rapides Parish Police Jury. The accompanying component unit financial statements present information only on the funds maintained by the Fire Protection District No. 12 and do not present information on the police

Fire Protection District No. 12

Notes to Financial Statements

December 31, 2013

jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Fire District's operations as governmental activities. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

The government-wide and fund financial statements present the Fire District's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Fire District as a whole. The effect of any interfund activity is eliminated from these financial statements. The government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include any charges for services and any grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The Fire District's only major fund is the general fund. This fund is the primary operating fund of the Fire District and is used to account for all resources, except those required to be accounted for in other funds.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

| <u>Financial Statement Presentation</u> | <u>Basis of Accounting</u> | <u>Measurement Focus</u> |
|--|-----------------------------------|---------------------------------|
| Government-Wide Financial Statements | Accrual Basis | Economic Resources |
| Fund Financial Statements | Modified Accrual Basis | Current Financial Resources |

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Fire Protection District No. 12

Notes to Financial Statements

December 31, 2013

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as other financing sources and repayment of long-term debt is reported as an expenditure.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budget Practices

Budgets of the general fund are prepared on the modified accrual basis of accounting. Unexpended appropriations of this fund lapse at the end of each fiscal year. Budgets of the general fund and all changes and amendments to these budgets are approved by the Board of Directors as a whole.

Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. Useful lives typically range from five to forty years.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

NOTE 2-CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market value. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Fire Protection District No. 12

Notes to Financial Statements **December 31, 2013**

At December 31, 2013, deposits were fully secured by FDIC insurance coverage.

NOTE 3 - AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are collected by the Rapides Parish Sheriff's Office and remitted to the Fire District the month subsequent to collection.

Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed. For the year ended December 31, 2013, 11.96 mills were assessed.

NOTE 4 - RECEIVABLES

At December 31, 2013, receivables were limited to ad valorem taxes and related revenue sharing collected by other governmental units on behalf of the Fire District. These amounts are considered fully collectible and there is no allowance for doubtful accounts.

NOTE 5 - CAPITAL ASSETS

A summary of the Fire District's capital assets is provided as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Disposals</u> | <u>Ending Balance</u> |
|---------------------------------------|------------------------------|------------------|------------------|---------------------------|
| <u>Non Depreciable Capital Assets</u> | | | | |
| Land | \$ 10,745 | \$ ---- | \$ ---- | \$ 10,745 |
| <u>Depreciable Capital Assets</u> | | | | |
| Trucks | 562,973 | ---- | ---- | 562,973 |
| Building | 242,270 | ---- | ---- | 242,270 |
| Equipment | 244,939 | 5,020 | ---- | 249,959 |
| Furniture & Fixtures | 7,858 | ---- | ---- | 7,858 |
| Accumulated Depreciation | (512,770) | (83,747) | ---- | (596,517) |
| | <u>545,270</u> | <u>(78,727)</u> | <u>----</u> | <u>466,543</u> |
| Total Capital Assets | \$ 556,015 | \$ (78,727) | \$ ---- | \$ 477,288 |

Depreciation expense for the year ended December 31, 2013 is \$83,747.

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at December 31, 2013 consist of trade payables incurred in connection with the operation of the fire department.

NOTE 7 - LONG-TERM DEBT

Long-term debt outstanding at year end consists of a loan totaling \$104,625. Long-term debt activity for the year ended December 31, 2013, is presented as follows:

Fire Protection District No. 12

Notes to Financial Statements

December 31, 2013

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|-----------------------|------------------------------|------------------|-------------------|---------------------------|
| Bonds Payable | \$ 60,005 | \$ ---- | \$ 60,005 | \$ ---- |
| Notes Payable | 146,494 | ---- | 41,866 | 104,628 |
| Total Long-term Debts | <u>\$ 206,499</u> | <u>\$ ----</u> | <u>\$ 101,871</u> | <u>\$ 104,628</u> |

Loans

Details related to the debt agreements are presented as follows:

A \$171,670 loan from Red River Bank at a rate 5.5% for the purpose of purchasing a fire truck. Principal and interest will be paid monthly in equal payments of \$2,231.17 beginning June 26, 2010 and continuing for a period of eight years. \$ 104,628

Amount due within one year 21,485

Due in More than One Year \$ 83,143

A schedule of maturities of long term debt is presented as follows:

| | <u>Loan Principal</u> | <u>Total Interest</u> |
|-------|---------------------------|---------------------------|
| 2014 | \$ 21,485 | \$ 5,289 |
| 2015 | 22,715 | 4,059 |
| 2016 | 24,014 | 2,760 |
| 2017 | 25,388 | 1,386 |
| 2018 | <u>11,023</u> | <u>154</u> |
| Total | <u>\$ 104,625</u> | <u>\$ 13,648</u> |

Interest expense for the year ended December 31, 2013 is \$9,988.

NOTE 8 - RISK MANAGEMENT

The Fire District is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; and natural disasters.

The Fire District insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Fire Protection District No. 12 of Rapides Parish
Statement of Revenues, Expenditures, and Changes in
Fund Balance - General Fund Budget and Actual
For the Year Ended December 31, 2013

| | Budget Amounts | | Actual | Variance with |
|---|-------------------|-------------------|-------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| <u>Revenues:</u> | | | | |
| Ad valorem taxes | \$ 260,000 | \$ 287,000 | \$ 297,254 | \$ 10,254 |
| 2% Insurance Rebate | 5,600 | 6,420 | 6,418 | (2.00) |
| Interest | - | - | 283 | 283.00 |
| Miscellaneous | 1,175 | 1,468 | 1,181 | (287.00) |
| Grant Revenue | 3,500 | 3,415 | 3,414 | (1.00) |
| Total revenues | <u>270,275</u> | <u>298,303</u> | <u>308,550</u> | <u>10,247</u> |
| <u>Expenditures:</u> | | | | |
| Public Safety: | | | | |
| Capital outlay | 159,932 | 128,079 | 5,020 | 123,059 |
| Supplies | 2,000 | 2,900 | 2,950 | (50) |
| Fuel | 6,100 | 5,275 | 7,132 | (1,857) |
| Insurance | 18,700 | 19,690 | 19,689 | 1 |
| Legal and accounting | 3,300 | 4,830 | 4,832 | (2) |
| Office expense | 2,800 | 1,125 | 1,595 | (470) |
| Repairs and maintenance | 24,000 | 15,600 | 14,323 | 1,277 |
| Utilities and telephone | 3,500 | 3,800 | 4,224 | (424) |
| Other | 3,840 | 5,144 | 5,153 | (9) |
| Debt Service | 46,103 | 111,860 | 111,859 | 1 |
| Total expenditures | <u>270,275</u> | <u>298,303</u> | <u>176,777</u> | <u>121,526</u> |
| Excess (deficiency) of revenues over expenditures | - | - | 131,773 | 131,773 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Loan Proceeds | - | - | - | - |
| Net Change in Fund Balance | - | - | 131,773 | 131,773 |
| Fund balance - beginning of year | <u>292,546</u> | <u>292,546</u> | <u>292,546</u> | - |
| Fund balance - end of year | <u>\$ 292,546</u> | <u>\$ 292,546</u> | <u>\$ 424,319</u> | <u>\$ 131,773</u> |

See accompanying notes and independent accountant's review report

ROZIER, HARRINGTON & MCKAY

CERTIFIED PUBLIC ACCOUNTANTS

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M. DALE HARRINGTON, CPA
RETIRED - 2005

May 12, 2014

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Fire Protection District No. 12
of Rapides Parish

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Fire Protection District No. 12 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Fire District's compliance with certain laws and regulations during the year ended December 31, 2013, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW:

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

During the year, there were no expenditures meeting the scope of the public bid law.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of the Board Members as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Board Members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

-Members-

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Fire Protection District No. 12

May 12, 2014

3. Obtain from management a listing of all employees paid during the period under examination.

The Fire District has no paid employees during this period.

4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The Fire District has no employees for this review period; therefore, procedure is not considered necessary.

BUDGETING

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of both the original budget and amended budget.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget by the Board of Fire Protection District No. 12 to minutes of the February 28, 2013 meeting. We also traced the adoption of the amended budget by the Board of Fire Protection District No. 12 to the minutes of the December 19, 2013 meeting.

Finding 2013-1

The original budget was not adopted prior to the end of the previous fiscal year as required by State Law.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared revenues and expenditures of the final budget to actual revenues and expenditures. Unfavorable variances did not exceed five (5%) percent.

ACCOUNTING AND REPORTING

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that all payments were for the proper amount and made to the correct payee.

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May 12, 2014

(b) determine if payments were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated that each check was signed and approved by the proper officials.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Fire District is only required to post a notice of each meeting and the accompanying agenda on the door of the meeting facility. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected the cash receipts journal for the period under examination and no proceeds from debt were detected.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

The Fire District has no employees for this review period. We found no payments constituting a bonus, advance or gifts being paid during the year.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

We reviewed the prior year recommendations and comments as follows:

- *Finding 2012-1: Expenditures exceeded budget – The District adopted an amended budget for the current year and actual expenditures did not exceed budgeted expenditures.*

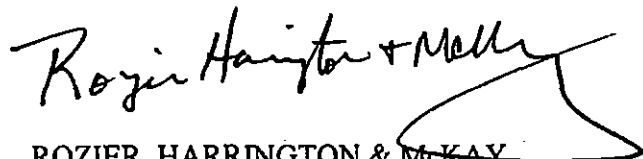
Fire Protection District No. 12

May 12, 2014

- *Finding 2012-2: Payment to public servant – Upon learning of the potential ethics violation, the Fire District ceased all activity with LA Pump Maintenance Services, LLC.*

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Fire Protection District No. 12 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

Fire Protection District No. #12 of Rapides Parish
Managements Corrective Action Plan
For the Year Ended December 31, 2013

| SECTION I - Review Report | |
|--|---|
| <u>Finding 2013-1: Budget Adoption</u> The Fire District did not adopt the current year original budget prior to the end of the previous fiscal year as required by State Law. | <u>Response 2013-1:</u> This was an over sight by the board. In the future, we will ensure that a budget is properly adopted. |
| SECTION II - Attestation Report | |
| No findings were reported. | Response – N/A |
| SECTION III - Management Letter | |
| No findings were reported. | Response – N/A |

Fire Protection District #12 of Rapides Parish
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended December 31, 2013

| SECTION I - Accountants' Report | |
|---|--|
| <p><u>Finding 2012-1: Expenditures exceeded budget</u> We compared the revenues and expenditures of the budget to actual revenues and expenditures. Variances for revenue were favorable; however, actual expenditures exceeded budget by more than 5%. We also noted the format of the adopted budget is not in the budget format established by State Law.</p> | <p><u>Resolved:</u> The District's actual expenditures did not exceed budgeted expenditures during the current year.</p> |
| SECTION II - Attestation Report | |
| No findings were reported. | Response – N/A |
| SECTION III - Management Letter | |
| <p><u>Finding 2012-2: Payment to public servant</u> During the review period, Fire Protection District No. 12 paid LA. Pump Maintenance Service, LLC for repairs to a fire truck and other equipment. Our discussions with management found that LA. Pump Maintenance, LLC is owned by volunteer fire chief Lee Stanley. It is uncertain whether the District has committed an ethics violation. Mr. Stanley is not a Board member, immediate family of a Board member or paid employee of the Fire Protection District No. 12.. State law prohibits a public servant, his immediate family or legal entity in which he has a controlling interest from bidding, or entering into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant. The provisions of R.S. 42:1119(C)(6) state "it shall not apply to the employment of a volunteer firefighter or to any decision regarding employment of a volunteer firefighter by an agency head, a chief executive of a governmental entity, or a member of a governing authority". We recommend that the Fire Protection District No. 12 request a ruling from the Louisiana Board of Ethics before entering into future transactions with LA. Pump Maintenance, LLC.</p> | <p><u>Resolved:</u> The Fire District has ceased all purchasing activity with this company.</p> |

LOUISIANA ATTESTATION QUESTIONNAIRE
FOR THE YEAR ENDED DECEMBER 31, 2013

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

April 29, 2014

Rozier, Harrington, & McKay, CPA's

PO Box 12178

Alexandria, LA 71315

In connection with your review of our financial statements as of (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 2013.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [☒] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [☒] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [☒] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974

Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [☒] No [☐]



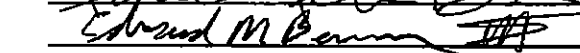
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

| | | | |
|---|-----------|--------|------|
|  | Secretary | 5/5/14 | Date |
|  | Treasurer | 5/5/14 | Date |
|  | President | 5/5/14 | Date |